

1           Q     Now, when this agreement was entered into, wasn't  
2     one of the premises that the combination of sales forces  
3     would reduce both parties' expenses?

4           A     Yes.

5           Q     And I take it the agreement was also meant to  
6     enhance the station revenues of both?

7           A     Initially, yes.

8           Q     And it's also true that the Joint Sales Agreement  
9     between Booth American and Pathfinder was not intended --  
10    and I emphasize not intended to give Pathfinder control over  
11    the programming of WRBR. Correct?

12          A     That's correct.

13          Q     Now, while the Joint Sales Agreement was in effect  
14    between Booth and Pathfinder, did WRBR acquire any of its  
15    programming from Pathfinder so far as you know?

16          A     No.

17          Q     Now, was the Joint Sales Agreement intended to  
18    give Pathfinder control over the employees of WRBR other  
19    than sales workers and necessary support staff?

20          A     No, I don't believe so.

21          Q     I want to direct your attention to Section 2.5  
22    which appears on page 15 of the exhibit. Now, the Joint  
23    Sales Agreement specifically mentions an individual by the  
24    name of Vince Ford. Who is Vince Ford at this time?

25          A     Vince Ford was the general manager of WRBR.

1 Q And did Vince Ford remain the general manager of  
2 WRBR until the time Hicks Broadcasting became licensee?

3 A Yes.

4 Q There was nobody else who occupied that position  
5 in the meantime, between December of 1992 and April 1, 1994?

6 A No.

7 THE COURT: Would you keep your --

8 THE WITNESS: No.

9 THE COURT: -- voice up?

10 BY MR. SHOOK:

11 Q It was a little easier during the deposition  
12 because we were so close to each other.

13 A Right.

14 Q Now we're far away. While Booth American was a  
15 party to the Joint Sales Agreement with Pathfinder, did  
16 Booth maintain a staff at WRBR which was separate from  
17 Pathfinder's staff at WLTA?

18 A Yes.

19 Q Did Pathfinder issue W-2 forms to Booth employees  
20 of WRBR for the year 1992?

21 A They only issued W-2s for those employees that  
22 were part of the Joint Sales Agreement at that time.

23 Q Now, isn't it the case that the Joint Sales  
24 Agreement actually makes the salespersons in question  
25 employees of Pathfinder?

1           A     Yes.

2           Q     Now, same question with respect to 1993. Did  
3 Pathfinder issue W-2 forms to the Booth employees of WRBR  
4 for the year 1993?

5           A     Can you repeat that, please?

6           Q     Yes, sir. Did Pathfinder issue W-2 forms to the  
7 Booth employees of WRBR for the year 1993?

8           A     No.

9           Q     Did Pathfinder issue W-2 forms to Booth employees  
10 of WRBR for the year 1994?

11          A     No.

12          Q     Now, were you aware that while Pathfinder and  
13 Booth were parties to the Joint Sales Agreement, John Dille  
14 had advocated to John Booth that the operations of WRBR and  
15 WLTA be combined?

16          A     I was generally aware of it, yes.

17          Q     I want you to refer to Mass Media Bureau Exhibit  
18 6. It appears in Volume 2 of our binders. You don't have  
19 that in front of you right now.

20          A     Okay.

21          Q     First of all, I want you to just take a look at  
22 Mass Media Bureau Exhibit 6. It's a document that's four  
23 pages in length. And you'll note that it is not signed. In  
24 fact, from the document itself, there's no apparent  
25 indication as to who this is from.

1                   Do you happen to know who the author of this  
2 document is?

3           A     Yes, I do.

4           Q     And who is it?

5           A     John Dille.

6           Q     Now, I want to direct your attention to the bottom  
7 of page 2 of the document. You notice under the heading,  
8 "Some Facts," that there are figures there?

9           A     Yes.

10          Q     Do you know what those figures represent?

11          A     I can read it. Is that --

12          Q     No. My question is not that you read it, but my  
13 question is there's a reference there to "We have lost," and  
14 then there's a figure.

15          A     Right.

16          Q     Now, the figure itself may be slightly smudged,  
17 and it's not my purpose -- you know, I don't care about the  
18 exact number that's involved. But my question is, do you  
19 know what that is supposed to represent?

20          A     I would -- I would be assuming what it is. It --  
21 I mean, I didn't write this, but it would appear to me that  
22 it was talking about at that time L -- WLTA having lost  
23 probably operating cash flow. I'm just -- I'm sorry --

24          Q     The next sentence, what does that refer to?

25          A     I presume it's the same -- he's talking about the

1 same thing, operating cash flow.

2 Q So, he's talking about losses incurred by WLTA?

3 A I believe so.

4 Q Now, to backtrack a bit, I had asked you before  
5 whether you were aware that John Dille had advocated to John  
6 Booth the operations of WRBR and WLTA be combined. Do you  
7 happen to know what John Booth's reaction was, if any, to  
8 Mr. Dille's suggestion?

9 A Well, I generally remember around this time some  
10 conversation on it. And I do remember that -- I think he  
11 was receptive to the idea. But it wasn't -- and I know they  
12 talked about it. I think he was receptive, but it was  
13 shortly after that that he had decided to sell WRBR, and  
14 therefore, nothing ever came about it.

15 Q Now, in terms of the figures that we had just  
16 referenced, these are figures that your office would have  
17 generated and given to Mr. Dille. Correct?

18 A Well, I -- I believe so. I mean, he got them from  
19 somewhere, and I assume he got them from financial  
20 statements or something that would have come from our  
21 office.

22 Q Well, I mean there would have been no other likely  
23 source --

24 A No --

25 Q -- of such figures, would there?

1           A     Correct.

2           Q     Do you have any reason to believe that the figures  
3     that appear at the bottom of the page were not accurate?

4           A     I really don't know that without checking. I  
5     mean, I assume they were. John put them in here.

6           Q     Well, I mean I take it that you and Mr. Dille have  
7     discussed financial aspects of the operation of various  
8     Pathfinder stations during that period of time?

9           A     Yes, and we -- and he gets financial statements,  
10    but I don't -- I didn't see this memo before it went out. I  
11    didn't see this memo and I'm not even sure I saw it at all.  
12    We discussed some of the things in here, I recall, but I  
13    have no reason to doubt that they are probably accurate.

14          Q     Now, on page 4 of the document, about a quarter of  
15    the way down, there's the statement that reads: "This  
16    person would still report to the Committee." Do you see  
17    that?

18          A     Yes, I do.

19          Q     Do you happen to know what committee is being  
20    referred to?

21          A     No, I really don't because I didn't know there was  
22    a formal committee.

23          Q     Would it be the management committee --

24          A     Excuse me. I know what committee he might be  
25    talking about. There is a management committee that's

1 discussed in the Joint Sales Agreement.

2 Q And do you happen to know who was on the  
3 management committee if it existed at all with respect to  
4 the time that Booth and Pathfinder were members of the Joint  
5 Sales Agreement?

6 A No, I don't. I really don't believe there was a  
7 formal committee, none that I know of.

8 Q Okay. Notwithstanding the reference that appears  
9 in this document?

10 A Well, I'm just telling you what -- I didn't know  
11 of any formal committee. I -- you know, I think if the  
12 parties were to have been having problems, then they would  
13 have made -- been a formal committee. Just one would have  
14 been started. But there were no -- they were getting along  
15 fine, so I don't think there was a need for it.

16 Q I'm going to direct your attention again to the  
17 Joint Sales Agreement. Alright, Mr. Watson, could you  
18 please turn to what is marked as page 16?

19 A This is Exhibit 1, correct?

20 Q Yes, sir. Do you notice the section, Section 3,  
21 particularly subsection 3.1?

22 A Yes.

23 Q And do you see under paragraph A that the  
24 management committee is to have four members?

25 A Yes.

1           Q     Does that help you recall whether or not such a  
2 management committee existed, and if so, who was on it?

3           A     No. I'm aware of the section, but I'm still not  
4 aware of any management committee, and nor do I think there  
5 was one. I mean, John Booth and John Dille talked a lot  
6 about things, but to my knowledge there was no formal  
7 management committee.

8           Q     At least it would be the case that you weren't on  
9 it?

10          A     That's for sure.

11          Q     Now, I want to direct your attention to page 18,  
12 particularly Section 5.1. It makes reference to revenues  
13 and other receipts and what's supposed to happen to them.

14                Are you familiar with how the -- and I'll use the  
15 term Radio One. Do you know that term, sir?

16          A     Yes.

17          Q     Okay. Do you know what happened with the revenues  
18 and other receipts of Radio One during the period of time  
19 when Booth American and Pathfinder were parties to the Joint  
20 Sales Agreement?

21          A     They were deposited in Pathfinder's bank account.

22          Q     Alright. Now is that to your understanding, in  
23 accordance with this section?

24          A     Yes.

25          Q     Now, I want to direct your attention to Section



1 5.3. And during the period when Booth -- all these  
2 questions now will be for the period of time when Booth and  
3 Pathfinder were the parties to the agreement.

4 Would it be the case that Section 5.3 was followed  
5 to the extent that Pathfinder kept the books and records on  
6 behalf of the venture?

7 A Yes.

8 Q And with respect to Section 5.4, is it the case  
9 that each party separately accounted for its expenses and  
10 revenues attributable to the venture?

11 A Yes.

12 Q And now I want to direct your attention to the  
13 next page, page 20. You see under Section 6.2(b), it says:  
14 "Each party shall employ at its expense management level  
15 employees," et cetera.

16 Is it your understanding that that provision was  
17 complied with while Booth was licensee of Station WRBR?

18 A Yes.

19 Q And that employee, in particular, was Vince Ford?

20 A Yes.

21 Q Were there any other management level employees so  
22 far as you knew?

23 A Depends on what --

24 Q At WRBR during the period when Pathfinder --  
25 excuse me --

1           A     I guess I don't know. I really don't know.

2           Q     Okay. Other than Mr. Ford?

3           A     I don't know.

4           Q     Under Section 6.3, so far as you know, that  
5 provision was complied with?

6           A     Yes.

7           Q     And under Section 6.4, so far as you know that  
8 provision was complied with?

9           A     Yes.

10          Q     Now, I want to direct your attention to page 18,  
11 Section 4.4(a). It talks about disbursements of revenues  
12 and allocation of expenses.

13                   Were disbursement of revenues to Booth made in  
14 accordance with Section 4.4(a)?

15          A     Yes.

16          Q     Now, I want to direct your attention to -- should  
17 be marked as page 17, the previous page. The section I want  
18 you to look at is Section 4.2.

19                   Now, do you remember if this agreement was entered  
20 into on December 18, 1992 -- could you explain to me if you  
21 can when it is that the second year is supposed to kick in?  
22 Is that supposed to be September 1, 1993, or is it supposed  
23 to be September 1, 1994?

24          A     September 1, 1993.

25          Q     Alright. Was a recalculation done at that point

1 in time?

2 A Yes.

3 Q And was a recalculation done on September 1, 1994,  
4 at this point now with Hicks being the licensee?

5 A Yes.

6 Q And 1995?

7 A Yes.

8 Q 1996?

9 A Yes.

10 Q I want to direct your attention to Mass Media  
11 Bureau Exhibit 8, which appears in the second volume there.  
12 Can you identify this document, please?

13 A This appears to be the annual 395 report for  
14 Pathfinder Communications for -- it's the one that was due  
15 May 1993.

16 Q Did you or anyone in your office have any role in  
17 the preparation of this report?

18 A I did not, but someone in our office did, yes.

19 Q And who was that?

20 A Well, that would have been actually prepared by  
21 the general manager and -- of the station, along with Dave  
22 Hayes at our office. And it would have been reviewed and  
23 thoroughly -- and filed by counsel at that time.

24 Q Do you have any knowledge as to approximately how  
25 many of the employees that are noted on the second page of

1 the document worked for WLTA and approximately how many  
2 worked for WTRC?

3 A Well, not off -- not offhand, not without seeing a  
4 work paper that supports these numbers, and then I'm sure  
5 there is.

6 Q Okay. Now, one of the stations is located in  
7 Elkhart and the other one is located in some other spot.  
8 Correct?

9 A One is located in -- WTRC is located in Elkhart.  
10 WLTA is located in Mishawaka. Both of them are licensed to  
11 Elkhart.

12 Q And approximately how far away are Elkhart and  
13 Mishawaka?

14 A Fifteen -- 15 miles between the offices.

15 Q Is the way that WTRC and WLTA work that there are  
16 some personnel who are stationed exclusively at one station  
17 or the other, and then there are some other personnel who  
18 are essentially common to both?

19 A Yes. There would be few that would be common to  
20 both.

21 Q But by and large, an individual would be stationed  
22 at one spot or the other?

23 A By and large, yes.

24 Q Did there come a time when Booth and Pathfinder  
25 negotiated for the possible sale of WRBR?

1           A     Yes.

2           Q     What role, if any, did you have during the  
3 negotiations?

4           MR. BERNTHAL: Your Honor, excuse me. I apologize  
5 for interrupting. I just had -- a personal problem has just  
6 come up that's major, and I'm going to have to leave. Could  
7 I indulge to ask a five minute recess so that we can  
8 coordinate here about what we're going to do?

9           THE COURT: Let's go off the record.

10          MR. BERNTHAL: I apologize for this.

11          (Whereupon, a short recess was taken.)

12          BY MR. SHOOK:

13          Q     Mr. Watson, there was one matter that I neglected  
14 to ask you relative to Mass Media Exhibit 8. You have Mass  
15 Medica Exhibit 8 in front of you?

16          A     Yes.

17          Q     At the bottom of the first page there's a  
18 signature. Do you recognize it?

19          A     Yes.

20          Q     And that signature belongs to?

21          A     John Dille.

22          Q     And so far as you know, this is a true and correct  
23 copy of the station's 1993 annual employment report?

24          MR. GUZMAN: Objection, Your Honor. He can't  
25 authenticate that.

1           THE COURT: Well, they've admitted it, haven't  
2 they, at some point?

3           MR. SHOOK: Well, Your Honor, not in so many  
4 words.

5           THE COURT: Well, unless it can be shown  
6 otherwise, I'm going to assume it's an authentic copy.

7           MR. GUZMAN: I think that's entirely appropriate.  
8 That's not the objection. I just -- I objected --

9           THE COURT: Alright. This witness apparently  
10 didn't prepare it, but the concession is it's an authentic  
11 copy.

12           MR. SHOOK: Your Honor, at this time the Bureau  
13 would offer Mass Media Bureau Exhibit 8.

14           THE COURT: Any objection?

15           MR. GUZMAN: None, Your Honor.

16           THE COURT: Exhibit 8 is received.

17                               (The document referred to was  
18                               marked for identification as  
19                               Mass Media Bureau Exhibit 8,  
20                               and was received in evidence.)

21           BY MR. SHOOK:

22           Q     Now, I had asked you before whether you had had  
23 any role in the negotiations between Booth and Pathfinder  
24 for the possible sale of WRBR. I think I asked the  
25 question. I don't think you had an opportunity to give your

1 response.

2 A I did not have a role in the negotiations. I  
3 would -- I would have had a role in discussions with John  
4 who really did the negotiating.

5 Q And what were the nature of those discussions,  
6 generally?

7 A Well, just -- I mean, all kinds of discussions  
8 regarding the purchase of the station, feasibility. I mean,  
9 how it could be paid for. I mean, various aspects that you  
10 would consider when you buy any radio station.

11 Q Would you have understood your role to be the  
12 principle advisor -- the in-house advisor to Mr. Dille?

13 A Certainly one of them.

14 Q And who might the others have been?

15 A I don't know. He's got other -- I mean, there are  
16 a number of general managers, a few general managers he may  
17 have consulted with, but I would certainly have been an  
18 advisor, yes.

19 Q Now, was it your understanding that draft  
20 agreements were produced?

21 A I think they were. I think they were very close  
22 to being produced, yes.

23 Q And what role, if any, did you have during the  
24 drafting of such agreements?

25 A I would have read them on behalf of Pathfinder

1 Communications Corporation.

2 Q I'd like you to turn to Mass Media Bureau Exhibit  
3 Number 9. Why don't you take just a little look through it?

4 A Yeah.

5 Q And are the pages altogether?

6 A Appear to be, yes.

7 Q Alright. Do you recognize the document?

8 A Yes.

9 Q Now, on the first page, there's some handwriting  
10 here. And it appears to say, "To Bob Watson." Is that the  
11 case?

12 A That's correct.

13 Q And that's you?

14 A That's correct.

15 Q Now, if you look on the second page of the  
16 document in paragraph 2, is there a price established that  
17 the parties had talked about for the sale of the station?

18 A Yes.

19 Q And what is that price?

20 A \$660,000.

21 Q Now, turning to the next page, is there also an  
22 escrow established?

23 A Yes.

24 Q And what escrow amount is there to be?

25 A \$50,000.



1           Q     Turning to page 7, there's an understanding  
2     relative to a payment schedule?

3           A     Yes.

4           Q     Then this payment schedule was essentially one  
5     that was negotiated between Pathfinder and Booth?

6           A     Yes.

7                     MR. SHOOK: Your Honor, the Bureau offers Mass  
8     Media Bureau Exhibit 9.

9                     THE COURT: Any objection?

10                    MR. GUZMAN: No, Your Honor.

11                    THE COURT: Bureau Exhibit 9 is received.

12                                     (The document referred to was  
13                                     marked for identification as  
14                                     Mass Media Bureau Exhibit 9,  
15                                     and was received in evidence.)

16                    BY MR. SHOOK:

17           Q     Would you please turn to Mass Media Bureau Exhibit  
18     10? I'd like to direct your attention to the second page.  
19     Right in the middle of the page, there appears to be a  
20     handwritten notation, "Okay." Am I reading that correctly?

21           A     Yes.

22           Q     And there appears to be some kind of squiggle  
23     underneath it. Do you --

24           A     That's my little squiggle.

25           Q     And that is supposed to be your initial or

1       initials?

2           A       That's correct.

3           Q       What is it you're okaying?

4           A       I'm okaying this bill for payment. One of the  
5       procedures in our office is no attorney bill gets paid  
6       without my initials on it. And that's what it is. And I'm  
7       approving it for payment before passing it to accounts  
8       payable for payment.

9           Q       And so, once it goes to accounts payable, that's  
10      simply a ministerial act on their part to write the check  
11      and send it out?

12          A       That's correct.

13          Q       Now, there also appear to be some other initials  
14      adjacent to the figure \$2,671.61. Do you know who those  
15      initials are?

16          A       Yes, that would be the -- at that time, the  
17      accounts payable clerk. And it's her initials indicating  
18      that she has, in essence, everything is on this bill for  
19      payment, meaning proper approval. She circled it and put  
20      her initials on it. The account number's on it. And so, it  
21      -- that initial indicates that she has seen it, and  
22      therefore, it's ready for payment.

23          Q       Now, there's some additional writing on this bill  
24      under the -- there's a number 25303 and then a date that  
25      appears underneath it. What's the significance of that?

1           A     That is the check number that this bill was paid  
2     on and the date that it was paid, the date of the check.

3           Q     Now, finally there are some other numbers, a  
4     364.83.1, and then it has an equal sign followed by 90. And  
5     then there's some additional numbers underneath that. What  
6     does all that represent?

7           A     The numbers to the left is the account number that  
8     charge was distributed to such as the \$90 was charged to  
9     account 364.83.1, and 506.34 was charged to account 654.95.

10          Q     And what is 654.95?

11          A     I believe that was a -- what I think we called a  
12     special projects account for stations in Grand Rapids. I'd  
13     have to check this.

14          Q     Then, turning to the first page, the invoice  
15     itself is submitted to an entity called Federated Media.  
16     What is that?

17          A     Federated Media is a name -- a group name. It's  
18     not a legal entity or anything. It's just a name by which  
19     we referred to ourselves, which encompasses Truth Publishing  
20     Company and Pathfinder. Just a name like a trademark.

21          Q     And when the bill is addressed to Robert Watson,  
22     that is yourself?

23          A     Correct.

24                 MR. SHOOK: Your Honor, the Bureau would offer  
25     into evidence Mass Media Bureau Exhibit 10.

1 THE COURT: Any objection?

2 MR. GUZMAN: None, Your Honor.

3 MR. HALL: None for Hicks, Your Honor.

4 THE COURT: The exhibit is received.

5 (The document referred to was  
6 marked for identification as  
7 Mass Media Bureau Exhibit 10,  
8 and was received in evidence.)

9 BY MR. SHOOK:

10 Q Mr. Watson, could you turn please to Mass Media  
11 Bureau Exhibit Number 12? These are -- can you identify  
12 Number 12, please?

13 A This appears to be another attorneys' bill from an  
14 Irwin, Campbell & Crowe for services rendered in the month  
15 of August 1993. And it's addressed to Federated Media,  
16 attention me. And it says, "In reference to WLTA."

17 Q Now, there's no indication here from the copy that  
18 we have in the exhibits that it was -- that it went through  
19 some of the same process that we just described. Do you  
20 have any explanation as to why that might be the case?

21 A I don't know where the copy came from, but I'm  
22 sure there is a bill. I'm sure there is one because all  
23 those same numbers on it, because it doesn't get paid  
24 without all those things happening to it.

25 Q And so far as you know, this bill was paid?

1           A     As far as I know.

2                   MR. SHOOK: Your Honor, the Bureau offers Mass  
3 Media Bureau Exhibit 12.

4                   THE COURT: Any objection?

5                   MR. GUZMAN: No, Your Honor.

6                   MR. HALL: None, Your Honor.

7                   THE COURT: The exhibit is received.

8                                   (The document referred to was  
9                                   marked for identification as  
10                                  Mass Media Bureau Exhibit 12,  
11                                  and was received in evidence.)

12                  BY MR. SHOOK:

13                 Q     Mr. Watson, did there come a time when Pathfinder  
14 learned that Booth would not sell WRBR to it?

15                 A     Yes.

16                 Q     And what was your understanding as to why Booth  
17 would not sell WRBR to Pathfinder?

18                 A     Well, sometime in the summer of 1993, mid-summer,  
19 we had determined that Pathfinder could not buy the station  
20 without getting a waiver from the FCC because of the cross-  
21 ownership rules and relating to our ownership -- Truth  
22 Publishing Company's ownership of the newspaper.

23                 Q     The newspaper being?

24                 A     The Elkhart Truth. Now, once that was determined  
25 I know that counsel -- I believe -- I know our counsel along

1 with Booth's counsel went to the FCC to talk about the  
2 timing and how long it might take to get a waiver. And it  
3 seemed like the answer basically was it would be awhile.

4 And at that time, Booth American was not ready to  
5 wait for the length of time they thought it would take, so  
6 they decided that they had to sell to someone else.

7 Q And just to clarify --

8 A Or take it to market. Excuse me.

9 Q Okay. To clarify matters, your counsel is  
10 referring to whom at this point?

11 A That would have been Alan Campbell.

12 Q And whose counsel is it referring to?

13 A I believe it was Honigman, Miller or something.

14 Q Do you know whether they were also represented by  
15 special FCC counsel? Does the name John Quale mean anything  
16 to you?

17 A Yes, it does. I'm familiar with the name because  
18 I've seen memos that Alan Campbell has written to him, but I  
19 don't know if that's who actually went over to the FCC. I  
20 just don't know.

21 Q Now, did there come a time when you became aware  
22 that David Hicks would hold a majority interest in an entity  
23 that was going to acquire WRBR?

24 A Yes.

25 Q Approximately when did you become aware?

1           A     I believe it was around the -- close to the end of  
2     August, first of September.

3           Q     1993?

4           A     1993, yes. Did you become aware at that time who  
5     was going to hold minority interest in the entity?

6           A     I don't know if it was -- put it this way, I knew  
7     that there was certainly an interest and desire of who would  
8     hold the minority interest in the entity, yes.

9           Q     And what was it that you knew?

10          A     Through discussions with John Dille. I mean, that  
11     was -- if he -- if that was possible, he would have liked to  
12     have accomplished that.

13          Q     Was he going to hold the minority interest, or was  
14     somebody else going to hold the minority interest?

15          A     No. Someone else.

16          Q     And do you know who the someone else was?

17          A     Yes. It would have been his children.

18          Q     And those are referring to John Flint Dille IV.  
19     We'll call him Flint.

20          A     Right.

21          Q     Alec Dille and Sara. And I'm not even sure at  
22     that time whether her last name was Dille or whether it was  
23     a married --

24          A     It was Dille.

25          Q     It was Dille, okay. And those are the three

1 children that we're talking about?

2 A That's correct.

3 Q Now, could you turn please to Mass Media Exhibit  
4 13? Do you recognize this letter?

5 A Yes.

6 Q Can you identify the signature?

7 A That's my signature.

8 Q At the time you sent this letter, do you know on  
9 whose behalf you were acting? To your understanding, I'm  
10 getting at. I'm not asking for a legal definition here.

11 A Well, I'm not sure. I believe I was acting on  
12 behalf of Pathfinder, but you know -- I mean -- well, let me  
13 explain. I was kind of a -- I don't know if this was  
14 Pathfinders that I was transmitting or if it was Hicks  
15 Broadcasting because I did review the agreements for Hicks  
16 Broadcasting on behalf of the children. And at this point,  
17 I'm not sure. I think it might have been Hicks Broadcasting  
18 on behalf of the children.

19 Q If that were the case, do you recall whether or  
20 not you received any compensation for your efforts from  
21 either the Hicks Broadcasting or the Dille children?

22 A No, I wouldn't have received any compensation. I  
23 mean, it's part of my job.

24 Q This was just part of your job at Pathfinder,  
25 wasn't it?



1           A     Well, we're not a big company. I mean, I've  
2     worked for John Dille for 20 years, and if he asked me to  
3     review some agreements on behalf of his children because  
4     I've got some experience doing it with other people, then  
5     I'd do it and not expect any compensation for it. It's just  
6     part of -- I'm getting compensated for it because I've got a  
7     job.

8           Q     Well, the point of my question was just to  
9     determine whether or not you were receiving compensation  
10    from a source other than Pathfinder for your efforts with  
11    respect to this letter?

12          A     No.

13               MR. SHOOK: Your Honor, the Bureau offers Mass  
14    Media Bureau Exhibit 13.

15               THE COURT: Any objection?

16               MR. GUZMAN: None, Your Honor.

17               MR. HALL: None, Your Honor.

18               THE COURT: The exhibit is received.

19                               (The document referred to was  
20                               marked for identification as  
21                               Mass Media Bureau Exhibit 13,  
22                               and was received in evidence.)

23               BY MR. SHOOK:

24               Q     Mr. Watson, could you please turn to Exhibit 16?  
25    It's a two-page document. Do you recognize this document,

1 sir?

2 A Yes, I've seen it.

3 Q Now, if you turn to the second page, it makes  
4 reference to a group of individuals under the heading WRBR  
5 Working Group.

6 A Yes.

7 Q Your name is one of them?

8 A Yes.

9 Q You were a member of that working group?

10 A Yes.

11 MR. SHOOK: Your Honor, the Bureau offers Mass  
12 Media Bureau Exhibit 16.

13 THE COURT: Any objection?

14 MR. GUZMAN: None, Your Honor.

15 MR. HALL: No, Your Honor.

16 THE COURT: Bureau Exhibit 16 is received.

17 (The document referred to was  
18 marked for identification as  
19 Mass Media Bureau Exhibit 16,  
20 and was received in evidence.)

21 BY MR. SHOOK:

22 Q Would you please turn to Bureau Exhibit 17? Now,  
23 you'll notice next to the date 9/15/93, there's a reference  
24 there to a conference call. Is that individual noted there  
25 supposed to be you, B. Watson?

1           A     Yes.

2           Q     And is it your understanding that the ACC would be  
3     Alan Campbell?

4           A     Yes.

5           Q     And did you continue to work with Mr. Campbell in  
6     reviewing drafts of WRBR documents on behalf of Pathfinder  
7     during the period preceding November 30, 1993 as suggested  
8     here in Mass Media Bureau Exhibit 17?

9           MR. GUZMAN:  Objection, Your Honor.  The document  
10    speaks for itself.  Mr. Watson hasn't testified on the  
11    point.

12           THE COURT:  What was the question again?

13           BY MR. SHOOK:

14           Q     Okay.  Did you continue to work with Mr. Campbell  
15    in reviewing drafts of WRBR documents on behalf of  
16    Pathfinder as suggested in Mass Media Bureau Exhibit 17?

17           MR. GUZMAN:  Same objection.

18           THE COURT:  Overruled.

19           THE WITNESS:  Well, I'm not sure that it's  
20    suggested that this is necessarily reviewing the drafts for  
21    Pathfinder.  At this time, I believe it was reviewing the  
22    drafts for Hicks Broadcasting.  And you know, he just hasn't  
23    set up a separate bill yet or something.  I don't know.  I'm  
24    sure it wasn't Pathfinder at this point.

25           BY MR. SHOOK:

1           Q     I see. So, with that correction, if you will, that  
2     your review would have been on behalf of Hicks Broadcasting  
3     then?

4           A     I believe so.

5           MR. SHOOK:   Alright.   The Mass Media Bureau offers  
6     Exhibit 17.

7           THE COURT:   Any objection?

8           MR. GUZMAN:   None, Your Honor.

9           MR. HALL:    No, Your Honor.

10          THE COURT:   Exhibit 17 is received.

11                               (The document referred to was  
12                               marked for identification as  
13                               Mass Media Bureau Exhibit 17,  
14                               and was received in evidence.)

15          BY MR. SHOOK:

16          Q     Mr. Watson, does the name Eric Brown mean anything  
17     to you?

18          A     Yes, it does.

19          Q     Approximately when did you first have occasion to  
20     deal with Mr. Brown?

21          A     I really don't remember.   I would -- I believe  
22     some time in this month of 1993.   September.

23          Q     Would your first contact with Mr. Brown have been  
24     in connection with the acquisition of WRBR by Hicks  
25     Broadcasting?

1 A Yes.

2 Q It wouldn't have been before that?

3 A No.

4 Q I'd like you to turn to Mass Media Bureau Exhibit  
5 18, first of all, the second page. If you could read to  
6 yourself. You don't have to read it out aloud. Just read  
7 to yourself the reference following the day, 10/19/93.

8 A Okay.

9 Q I guess as a preliminary matter, I should ask  
10 you -- and this document is eight pages in length. And I  
11 realize that it's not addressed to yourself. It's addressed  
12 to Mr. Hicks. But do you have any knowledge as to what this  
13 document is?

14 A Well, yes. It's a bill rendered Hicks  
15 Broadcasting by Rick Brown.

16 Q Now, did this bill ever come to your attention on  
17 or about April 29, 1994?

18 A I remember seeing it, yeah. Yeah, I remember  
19 seeing this bill.

20 Q Were you involved at all in the matter of paying  
21 Mr. Brown?

22 A No.

23 Q You were not?

24 A Other than -- we paid the bill when we were told  
25 to, when I was told to, yes. Is that what you mean?

1 Q Well, I'm just asking what involvement --

2 A Not other than payment of the bill, no. Not other  
3 than payment of the bill.

4 Q Alright. Now, going back to page two and that  
5 reference to 10/19/93, would that be approximately --  
6 actually, excuse me. I notice that there's also a reference  
7 to 10/18. The 10/18 reference appears at the bottom of the  
8 first page and then carries over to the second page.

9 First of all, do you recall having any conferences  
10 with Mr. Brown and/or Mr. Hicks during the middle of October  
11 1993 concerning review of documents for the purchase of  
12 WRBR?

13 A I had number of conversations with Rick Brown.  
14 And I don't know -- I assume it was those dates. I don't  
15 know exactly when.

16 Q But you have no reason to believe that this -- the  
17 bill's references to yourself are inaccurate, do you?

18 A No, I do not.

19 Q With the possible exception of --

20 A The attorney --

21 Q -- rotation of Attorney Watson?

22 A Right.

23 Q I take it you are not an attorney?

24 A I am not an attorney.

25 Q So, now when we get up to 10/20/1993, and you're

1 referenced here as Mr. Watson that that's more accurate?

2 A Yes.

3 Q Also, if you will please turn to page 3. After  
4 the date 11/24/93, just read it to yourself. Again there,  
5 your name appears. Do you have any reason to believe that  
6 that's not accurate?

7 A No.

8 Q And again, if we go to -- excuse me. Now, you had  
9 mentioned that you had -- there was some involvement on your  
10 part with respect to the payment of the bill. Now, how did  
11 that come about?

12 A I mean, I was told when to pay the bill.

13 Q And who told you to pay the bill?

14 A Dave Hicks.

15 Q And approximately when did he tell you?

16 A I think it was around -- if I recall, it was the  
17 end of 1990 -- end of this year, 1994, as I recall.

18 Q Now, looking at the amount that appears on page 7,  
19 was that the amount that you ended up paying?

20 A No, I don't believe it was.

21 Q Was the amount that you paid greater or less than  
22 that?

23 A I think it was less than that.

24 Q Do you know why?

25 A I think there was some kind of settlement for

1 something less than that.

2 Q A settlement between who and who?

3 A I don't know all the parties that were involved.  
4 I assume it was -- it may have been Dave Hicks. It could  
5 have been John Dille, and it could have been Rick Brown.

6 Q Alright. But you don't know for sure?

7 A I'm not sure. I mean, I think they were all  
8 involved because they thought the bill was too high.

9 Q Well, what understanding would you have as to why  
10 Mr. Dille should be concerned about the bill?

11 A I don't have any understanding why he'd be  
12 concerned about the bill --

13 Q Okay. Could you turn --

14 A -- other than, you know, his -- him knowing Dave.

15 Q Okay. I mean, I'm sorry if I cut you off. Are  
16 you finished?

17 A Yeah.

18 Q Could you turn please to Mass Media Bureau Exhibit  
19 22? Is that your signature there?

20 A Yes, it is.

21 Q Were you the author of the letter?

22 A Yes.

23 Q On whose behalf were you acting?

24 A I believe Hicks Broadcasting and really on behalf  
25 of the minority shareholders of Hicks Broadcasting.



1           Q     Now, you'll notice in the second paragraph which  
2     is basically one sentence, it says, "Please add our  
3     attorney." Who is "our" supposed to be at this point?

4           A     Well, at that point I think maybe the correct word  
5     wasn't "our" but I believe it was supposed to be Hicks  
6     Broadcasting's attorney --

7           Q     Do you happen to know --

8           A     -- because I believe at that time, Hicks  
9     Broadcasting had hired Alan to be their FCC counsel.

10          Q     So, it's your understanding that as of September  
11     27, 1993, Mr. Campbell had been retained by --

12          A     Well, I'm assuming that yeah, because I -- I mean,  
13     it --

14          Q     If I were to tell you that --

15          A     I'm not sure. It could have been Alan Campbell,  
16     yeah, because I would say it was Hicks Broadcasting.

17          Q     If I were to tell you that Mr. Campbell had not  
18     been retained by Hicks Broadcasting until sometime in  
19     December of 1993, would that change your response?

20          A     I guess I don't know exactly when they were  
21     retained.

22                THE COURT: Well, the question is would that  
23     change your response knowing that Mr. Campbell was not  
24     retained by Hicks until December?

25                THE WITNESS: I guess it would, but I -- yeah, but

1 I guess it would. I don't know.

2 BY MR. SHOOK:

3 Q Would it be a fair reading of that sentence to  
4 translate "our" into Pathfinder?

5 A I can't say that. I really don't know.

6 Q Would it be a fair reading to say "our" would mean  
7 the Dille children?

8 A Yes, I think so.

9 MR. SHOOK: Your Honor, the Bureau offers Exhibit  
10 22.

11 THE COURT: Any objection?

12 MR. HALL: No, Your Honor.

13 THE COURT: Exhibit 22 is received.

14 (The document referred to was  
15 marked for identification as  
16 Mass Media Bureau Exhibit 22,  
17 and was received in evidence.)

18 BY MR. SHOOK:

19 Q Mr. Watson, please turn to Mass Media Bureau  
20 Exhibit 24. First of all, on the second page of the  
21 exhibit, am I reading it correctly that there's an okay, and  
22 underneath it is an initial or initials which are yours?

23 A Yes.

24 Q And then where the bill is or the amount, rather,  
25 is circled and it appears to be a CS, that that's the same

1 person that we talked about before?

2 A Yes, it is.

3 Q That person again is?

4 A That person is the accounts payable clerk at that  
5 time. Her name was Clare Zatanoff.

6 Q That's why we didn't do that before, so we  
7 wouldn't have to try to spell her name.

8 A Right.

9 Q Alright. With respect to the first page, the bill  
10 says it's in reference to WLTA in Elkhart. And after the  
11 date 10/14/93, there's a reference there to "Agreements and  
12 calling B. Watson re: changes." I take it you're the B.  
13 Watson?

14 A Yes.

15 Q And the agreements in question, aren't they the  
16 agreements that pertain to the purchase of WRBR?

17 A I don't know.

18 Q Are you aware of any agreements involving WLTA at  
19 this point in time?

20 A Well, I don't know. I can't recall that either.  
21 I mean, I can't say --

22 Q I was just asking whether you were aware.

23 A Yeah, I cannot say with certainty what agreement  
24 they're talking about there.

25 THE COURT: But are you aware of any other